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**NEWS From:**

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**Congressman Mike Honda**

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**FIFTEENTH DISTRICT - CALIFORNIA**

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**Honda, Gephardt Announce Efforts to Stabilize Electricity Rates**

*Honda, Democratic Leader, Western Delegation Call upon President for Action*

**Washington DC**— Today U.S. Congressman Mike Honda (D-San Jose) joined House Democratic Leader Richard A. Gephardt, Congresswoman Anna Eshoo (D-CA) and other Members of Congress to call upon President Bush and the Federal Energy Regulatory Commission (FERC) to use their authority to stabilize electricity rates in California and the Western States. The group announced new ‘common sense’ legislation that would stabilize the electricity market in California by imposing cost-of service based rates and allow Western states to recover past and present overcharges by electricity generators.

**“President Bush and Federal Energy Regulatory Commission are responsible for making sure that our electricity rates are just and reasonable— yet they have refused to protect California’s ratepayers,”** said Honda. **“California and the other western states can no longer afford to wait for Bush and FERC to get off the sidelines and get in the game.”**

FERC is required by ensure that electricity rates are “just and reasonable.” On November 1, 2000 and again on December 15, 2000 FERC found that wholesale electricity rates in California were “unjust and unreasonable” under the Federal Power Act. Despite these findings, and FERC’s statutory mandate, President Bush and FERC have done nothing to protect California’s ratepayers. Honda has written FERC and the President urging them to live up to their obligation to protect California families and businesses by stabilizing the wholesale electricity in the Western Region.

Honda is also co-sponsoring legislation authored by Bay Area colleague, Rep. Anna Eshoo (D-Palo Alto) and Rep. Jay Inslee (D-WA) that stabilizes the Western electricity market by directing FERC to impose cost-of-service based rates. The bill also allows states to recover past, present and future “unjust” overcharges from generators if FERC does not do its job to prevent such overcharges.

**“In California, the economic undercurrents of the electricity problem have reached into virtually every aspect of our lives— in our schools, that now cannot afford to buy books or hire more teachers, and in our Silicon businesses— who continue to lose millions of dollars with each rolling blackout,”** continued Honda. **“President Bush has the authority and the obligation to take common sense action on behalf of our communities to restore stability and fairness to the western electricity market.”**